



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, UT 84145-0155

<http://www.blm.gov>



IN REPLY PLEASE REFER TO:

3482

UTU-79975

(UT-923)

AUG 12 2004

Pamela Grubaugh-Littig
Permit Supervisor
State of Utah
Division of Oil Gas and Mining
1594 West North Temple Street, Suite 1210
Salt Lake City, Utah 84114-5801

Re: Resource Recovery and Protection Plan (R2P2), Federal Coal Lease Addition, UTU-79975, Aberdeen Mine, ANDALEX Resources, Inc. C/007/0019

Dear Ms. Grubaugh-Littig:

The Bureau of Land Management (BLM) has received and reviewed the subject R2P2 as part of the permit application package for adding Federal coal lease UTU-79975 to the approved Centennial Mine Complex Permit. This letter documents the BLM's finding for the R2P2.

ANDALEX has submitted mining and reclamation plans (the R2P2 being part of the submission) to add the new Summit Creek coal lease (UTU-79975) to the existing Centennial Mine Complex Permit. Underground mining using longwall mining methods will continue north into the new lease from the existing Aberdeen Mine workings (part of the Centennial Mine Complex) and will not change any of the existing surface facilities. Mining to the east extent of the lease will extend as far as economically and operationally practical to achieve Maximum Economic Recovery (MER) as approved by BLM.

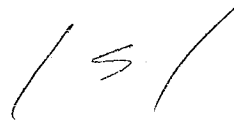
This 703 acre lease addition, along with an adjacent fee coal addition, will allow Andalex to possibly mine 3 extra longwall panels under extremely deep cover. Mining this lease will avoid bypass of this coal resource and extend the mine life by about 6 years. BLM has reviewed the submitted R2P2 and has determined it to be complete and a logical plan to mine the Federal coal.

Please note that ANDALEX has first submitted an Incidental Boundary Change (IBC) to allow longwall development entries to be mined across a corner of the lease before full permit approval of the whole lease can be given. Since these development entries are part of the R2P2, our recommendation for R2P2 approval is the same for the IBC as the full lease permit.

The BLM finds the submitted R2P2 in compliance with the Mineral Leasing Act of 1920, as amended, the lease terms and conditions, the regulations at 43 CFR 3480, and will achieve maximum economic recovery of the Federal coal. We therefore recommend that the Secretary approve the R2P2 as part of the Federal Mine Plan.

If you have any questions, please contact Jeff McKenzie of my staff at (801) 539-4038 or Stephen Falk at the Price Field Office at (435) 636-3605.

Sincerely,



James F. Kohler
Chief, Solid Minerals Branch

Enclosure

R2P2 for Federal Lease UTU -79975
with BLM Utah State Office Approved Mine Plan

cc: Office of Surface Mining (with enclosure)
P.O. Box 46667
Denver, Colorado 80201-6667

Price Field Office, UT-070 (w/o enclosure)

ANDALEX Resources, Inc. (w/o enclosure)
P. O. Box 902
Price, Utah 84501